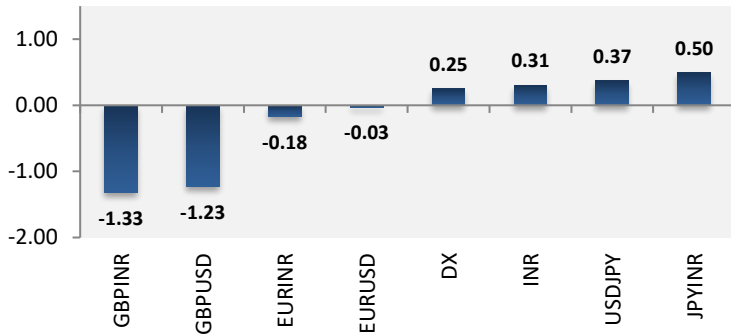


## Weekly Currencies Performance (%)



Source: Refinitiv; Angel Currencies

### Key Highlights

- ECB's Villeroy: Patience is more important than raising rates further
- RBI to keep interest rate unchanged as inflation still high: Experts
- Asian shares subdued after brutal central bank week

### Weekly Currency Performance & Outlook

#### USDINR

The overall trend of the Indian Rupee last week was in a range bound manner with a slight positive trend on account of suspected inflows into the system. Indian government bonds will become part of the JPMorgan Chase & Co.'s emerging markets bond index. The inclusion will happen in a staggered manner over 10 months between June 28, 2024 and March 31, 2025, it said. Currently 23 Indian government bonds with a combined notional value of over \$30 billion are eligible for inclusion. In addition, heavy RBI intervention into the system also led to mute performance of Rupee.

**USDINR SPOT (CMP: 82.93) is likely to trade higher towards 83.50- mark in the week ahead.**

#### EURINR

The initial trend of Euro last week was muted, however towards the end it slumped sharply owing to sudden surge in DXY and US treasury yields post the Fed Policy. As expected, the US Federal Reserve kept interest rates unchanged at 5.25%- 5.50%. Still, it surprised the market with its projections to keep rates at 5.1% for 2024 (revised from 4.6%) and virtually sent a message that it will keep rates at restrictive levels for a longer time. In addition, the projections for rates in 2023, via the so-called dot plots, were held at 5.6% and signaled one last hike in the remainder of the

year, and markets are placing bets for it to be in December. The Summary of Economic Projections indicates that most members believe another rate hike before year-end is likely.

**EURINR SPOT (CMP: 88.38) is likely to trade lower towards 87.50-mark in the week ahead.**

#### GBPINR

Last week, both GBPUSD and GBPINR plunged by more than 1 percent. The Bank of England has decided to pause its series of interest rate increases due to a slowdown in the British economy. Despite a recent fall in inflation, the bank is not taking it for granted. The Monetary Policy Committee voted 5-4 to keep the Bank Rate at 5.25%. The bank also cut its forecast for economic growth and noted weakness in the housing market. The decision to pause rate hikes follows the US Federal Reserve's decision to keep borrowing costs on hold, while the European Central Bank.

**GBPINR SPOT (CMP: 101.53) is likely to trade lower towards 100.70-mark in the week ahead.**

### Weekly Trend Deciding Levels

CURRENCY	S2	S1	R1	R2
USDINR Sep	82.00	82.60	83.50	84.00
EURINR Sep	87.00	87.70	89.30	90.00
GBRINR Sep	100.30	101.00	102.70	103.50
JPYINR Sep	55.10	55.80	57.00	57.60

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